

Delaware Part of Multistate Settlement with Hyundai, Kia Over Fuel Economy Claims

A group of 33 states and the District of Columbia have settled claims with automakers Hyundai and Kia that the companies misrepresented the mileage and fuel economy ratings for some of their model year 2011, 2012 and 2013 vehicles, the Delaware Department of Justice announced Thursday.

The states alleged that Hyundai and Kia incorporated inflated and inaccurate data into the estimated fuel mileage ratings displayed on the window stickers of hundreds of thousands of cars in Delaware and across the country, and prominently featured in a variety of advertisements and other promotional campaigns.

The states alleged that these actions were likely to mislead consumers and were material to consumers' decisions to purchase particular vehicles during a time of high gasoline prices. Delaware alleged that these actions constituted violations of Delaware's Consumer Protection and Uniform Deceptive Trade Practices Acts.

Purchasers of affected Kia and Hyundai models – including approximately 3,700 sold in Delaware – were eligible for payment under class action lawsuits settled in 2013 for nearly \$400 million in payments to owners across the country, with the roughly 600,000 people with Hyundai vehicles receiving an average of \$353 each to reimburse for the extra gas purchased and 300,000 owners of affected Kia vehicles getting an average of \$667 each.

The multistate action resolved with a settlement Thursday sought to further examine and address the companies' practices. Under the multistate settlement, the Hyundai Motor

Company, Hyundai Motor America, Kia Motors Corporation, Inc., and Kia Motors America, Inc. will pay \$41.2 million to the 33 states and the District of Columbia and Delaware's Consumer Protection Fund will receive \$626,674.14, which pays for Delaware's work on deceptive trade practice matters and other consumer-oriented investigations and legal actions. The settlement provides injunctive relief forbidding these automakers from misrepresenting the estimated fuel economy of a new motor vehicle in the future.

In addition to Delaware, the multistate group – led by the states of Connecticut, Iowa and Illinois – includes Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Indiana, Kansas, Kentucky, Maryland, Maine, Massachusetts, Missouri, Nebraska, New Jersey, New Mexico, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington and Wisconsin and the District of Columbia.

Deputy Attorney General Stephen McDonald of DOJ's Consumer Protection Unit, represented Delaware in the investigation.